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Advancement of women

Status of the Convention on the Elimination of All Forms of Discrimination against Women

Report of the Secretary-General

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I. Introduction

1. The General Assembly, by its resolution 34/180 of 18 December 1979, adopted the Convention on the Elimination of All Forms of Discrimination against Women. In subsequent resolutions, including resolutions 49/164 of 23 December 1994 and 51/68 of 12 December 1996, the Assembly urged States that had not yet ratified or acceded to the Convention to do so as soon as possible and requested the Secretary-General to report on the status of the Convention.[1] In its resolution 51/68, the General Assembly requested the Secretary-General to submit a report on the status of the Convention and the implementation of that resolution to its fifty-third session in 1998.

II. Status of the Convention on the Elimination of All Forms of Discrimination against Women

2. The Convention was opened for signature in New York on 1 March 1980 and, in accordance with its article 27, entered into force on 3 September 1981.

3. As at 1 August 1998, a total of 161 States parties had ratified, acceded or succeeded to the Convention, of which 60 had acceded and six had succeeded to it. In addition, three States were signatories to the Convention. The last country to ratify the Convention was Myanmar, on 22 July 1997 (see annex I for the complete list of States that have signed, ratified, acceded or succeeded to the Convention as at 1 August 1998, as well as the dates of the signatures and receipt of the instruments of ratification, accession or succession).

4. As at 1 August 1998, 22 States parties had deposited with the Secretary-General instruments of their acceptance of the amendment to article 20, paragraph 1, of the Convention, including eight States that did so during the period from 1 August 1997 to 1 August 1998. These States were: Australia, 4 June 1998; Canada, 3 November 1997; Chile, 8 May 1998; France, 8 August 1997; Mongolia, 19 December 1997; the Netherlands, 10 December 1997; Portugal, 29 June 1998; and Switzerland, 2 December 1997.

5. During the period from 1 August 1997 to 1 August 1998, no reservations were made. The last country to enter reservations to the Convention was Myanmar (see annex II). Objections were received from Austria, Denmark, the Netherlands and Sweden (see annex III). Withdrawals of reservations and declarations were received from Malaysia, Mauritius and Poland (see annex IV). Communications were received from Denmark and Sweden (see annex V).

III. Committee on the Elimination of Discrimination against Women: working methods and capacity to fulfil its mandate

A. Consideration of the reports of States parties

6. In its resolution 51/68, the General Assembly invited States parties to make all possible efforts to submit their reports on the implementation of the Convention in accordance with its article 18 and with the guidelines provided by the Committee and to cooperate fully with the Committee in the presentation of the reports.

7. In order to address the backlog of reports awaiting consideration and to encourage States parties to report in a timely fashion, the Committee decided, by decision 16/III of its sixteenth session, on an exceptional basis and as a temporary measure, to invite States parties to combine a maximum of two of the reports required under article 18 of the Convention. At its seventeenth session, by decision 17/I, the Committee decided that States parties presenting reports at the January session in any year should submit any additional information, including any additional reports, prior to 15 September of the previous year. In the case of the July session, the Committee decided that additional information should be submitted by 30 March of that year. At that same session, by decision 17/II, the Committee decided that the maximum number of reports to be considered at each session will normally be eight, drawn from a proposed list of up to ten countries.

8. As at 1 August 1998, the reports of 31 States parties were awaiting consideration by the Committee. These included five initial reports; one combined initial and second periodic reports; two second periodic reports; seven combined second and third periodic reports; one combined second, third and fourth periodic report; seven third periodic reports; three combined third and fourth periodic reports; and five fourth periodic reports (see annex VI).

B. Number of reports of States parties received and considered

9. Since its establishment in 1981, the Committee has held 19 sessions. It has reviewed a total of 179 reports, including 80 initial reports; 12 combined initial and second periodic reports; three combined initial, second and third periodic reports; 40 second reports; 13 combined second and third periodic reports; 21 third periodic reports; four combined third and fourth periodic reports and six fourth reports. It has also considered five reports submitted on an exceptional basis; from Croatia, Bosnia and Herzegovina, Rwanda, the Federal Republic of Yugoslavia (Serbia and Montenegro) and the Democratic Republic of the Congo.

10. In its resolution 51/68, the General Assembly urged States parties to the Convention to take appropriate measures so that acceptance of the amendment to article 20, paragraph 1, of the Convention by a two-thirds majority of States parties could be reached as soon as possible, in order for the amendment to enter into force. In that resolution, the General Assembly approved, for an interim period starting in 1997, the request made by the Committee[2] and supported by the States parties to the Convention, for additional meeting time to allow the Committee to hold two sessions annually, each of three weeks' duration, preceded by a pre-session working group. Since the approval of that request, the Committee has considered the reports of 34 States parties, or over 19 per cent of the States parties that it has considered since its first session in 1982.

C. Overdue reports

11. Following the initial report, which is due one year after ratification, States parties are required under article 18 of the Convention to submit reports every four years or whenever the Committee so requests.

12. As at 1 August 1998, there were 203 overdue reports, of which 60 are initial reports, 49 second periodic reports, 40 third periodic reports and 54 fourth periodic reports (see annex VII). A list of reports which have been overdue for more than five years is presented to the Committee at each session (see annex VIII for the list that was presented to the Committee at its nineteenth session).

13. At its seventeenth session, the Committee invited the Secretariat to advise States parties whose reports are overdue that advice on receiving assistance from the United Nations system in this regard may be obtained from the Division for the Advancement of Women.

D. Lists of issues and questions with respect to periodic reports

14. Over its past three sessions, the Committee has refined its method of preparing the lists of issues and questions with respect to periodic reports. At its nineteenth session, it agreed to continue its practice of assigning three members, including the designated country rapporteur, to prepare questions relating to periodic reports to guide the pre-session working group as it draws up the lists of issues and questions with respect to periodic reports. These three members should be drawn from different regions.

15. The Committee also decided that the Secretariat should prepare draft lists of issues and questions with regard to periodic reports, based on an analytical comparison of current reports of States parties with earlier reports, and the Committee's discussion thereon, and other relevant information, including concluding observations of other treaty bodies with respect to the States parties concerned. The draft lists prepared by the Secretariat would be sent to the country rapporteurs in advance of the meeting of the pre-session working group (decision 19/III).

E. Practices of the Committee during constructive dialogue

16. At its sixteenth session, the Committee decided that guidelines should be formulated for States parties with regard to the presentation of periodic reports. Those guidelines, which should be part of the Committee's guidelines for the preparation of reports, should indicate that States parties, when presenting reports orally would address the Committee for up to one hour, with one and a half meetings being available for consideration of the report by the Committee.

17. At its eighteenth session, the Committee reaffirmed its past practice that members of the Committee should refrain from participating in any aspect of the consideration of the reports of the States of which they were nationals, in order to maintain the highest standards of impartiality, both in substance and appearance (decision 18/III). At its nineteenth session, the Committee decided that this decision should be made widely known, in particular, to States parties whose nationals are members of the Committee at the time these States parties are presenting their reports. It also decided that the chairperson of the Committee should make decision 18/III, as well as the procedures of the Committee, known to new experts (decision 19/II).

F. Concluding comments

18. Over its past four sessions, the Committee has considered its procedures for the formulation and format of concluding comments. At its nineteenth session, it adopted standard procedures and format for the elaboration of concluding comments (see annex IX).

G. Implementation of article 21 of the Convention

19. At its sixteenth session, in January 1997, the Committee adopted general recommendation 23 on women in public life, which concerns articles 7 and 8 of the Convention.[3]

20. At its seventeenth session, the Committee decided to adopt a three stage process for the preparation of future general recommendations. The first stage would consist of a general discussion and exchange of views on the subject of the proposed general recommendation during an open meeting of the Committee. The specialized agencies and other United Nations bodies, as well as non-governmental organizations, would be encouraged to participate in the discussion and to prepare informal background papers as appropriate. At the second stage, the results of the general discussion would be compiled by a member of the Committee and the Secretariat into an initial draft general recommendation. This draft would be discussed at the next session by working group II, which could invite resource persons and non-governmental organizations to take part in discussions incorporated into a revised draft, which would be distributed to all experts before the next session. The revised draft would be submitted by working group II at the subsequent session for consideration and adoption by the Committee as a whole.[4]

21. At the seventeenth session, the Committee decided that its next general recommendation would be on women and health (article 12 of the Convention). Future general recommendations would relate to articles 2 and 4 respectively.[5]

H. Specialized agencies and other United Nations bodies

22. At its sixteenth session, the Committee recommended that links between the Committee and the specialized agencies and other United Nations bodies should be strengthened. It requested the Secretariat to ensure that the concluding comments of the Committee are submitted to the heads of the specialized agencies as soon as possible after their conclusion, and urged the specialized agencies, in particular those with field-level offices, to keep in mind the principles and recommendations of the Committee in defining their work programmes. The Committee recommended that the input of the specialized agencies and other bodies into the Committee's work under article 22 of the Convention should be more structured and should be country-specific and include information on treaties accepted by the reporting States parties, information from country or regional studies about the States parties, new statistics about State parties collected by the agencies and description of the country-level programmes of the agencies in the States parties under review.[6]

23. At its eighteenth session, the Committee decided that representatives of the specialized agencies and bodies of the United Nations should be invited to provide country-specific information to the Committee's pre-session working group on those States parties whose reports were before the group (decision 18/I). At the same session, it decided that representatives of the specialized agencies and United Nations bodies should be invited to address the Committee as a whole in a closed meeting on those States parties whose initial reports were before the Committee (decision 18/II).

I. Non-governmental organizations

24. At its sixteenth session, the Committee decided to invite the Secretariat to facilitate informal meetings with non-governmental organizations outside the regular meeting time of the Committee. During such meetings, non-governmental organizations would be invited to offer country-specific information on the States parties to be reviewed by the Committee (decision 16/II). The Secretariat facilitated such informal meetings at the time of the Committee's seventeenth, eighteenth and nineteenth sessions. At its eighteenth session, the Committee decided that representatives of national and international non-governmental organizations should be invited to provide country-specific information to the pre-session working group on those States parties whose reports were before the group (decision 18/I).

J. Reservations to the Convention on the Elimination of All Forms of Discrimination against Women

25. In its resolution 51/68, the General Assembly urged States parties to limit the extent of any reservations lodged to the Convention; formulate any reservations as precisely and as narrowly as possible; ensure that no reservations are incompatible with the object and purpose of the Convention or otherwise incompatible with international treaty law; review their reservations regularly, with a view to withdrawing them, and withdraw reservations that are contrary to the object and purpose of the Convention or that are otherwise incompatible with international treaty law.

26. At its sixteenth session, in January 1997, the Committee had before it a report on reservations to the Convention prepared by the Division for the Advancement of Women (CEDAW/C/1997/4). The report described the pattern of reservations and declarations made by States parties to the Convention upon ratification or accession and surveyed the responses of the Committee, States parties to the Convention, United Nations conferences and others, including non-governmental organizations and scholars, to these reservations and declarations. The report provided a comparison with reservations and declarations entered to the other United Nations human rights treaties and also outlined measures that had been taken in other contexts to address reservations, suggesting options available to the Committee to encourage the reduction and elimination reservations.

27. At its seventeenth session, in July 1997, the Committee decided that its contribution to the commemoration of the fiftieth anniversary of the Universal Declaration of Human Rights should include a written statement on reservations, in particular in the context of article 2 of the Convention. The Committee adopted a statement on reservations at its nineteenth session (see annex X).

K. Timing of the Committee's pre-session working group

28. At its sixteenth and eighteenth sessions, the Committee proposed that its pre-session working group be convened at the end of the session prior to the one at which selected States parties would report in order to provide States parties presenting periodic reports with the Committee's comments well in advance (suggestion 16/2; suggestion 18/1). At its eighteenth session it proposed that the transition to this pattern of work should take place at its twentieth session, in January 1999 (suggestion 18/1).

29. At its nineteenth session, the Committee decided that, in order to effect a smooth transition to this pattern of work, the pre-session working group for the twenty-first session meet as a third working group during the twentieth session. It also decided that the pre-session working group for the twenty-first session should, if necessary, remain for up to three days after the twentieth session to consolidate the lists of issues and questions with respect to the reports to be considered at the twenty-first session. The Committee underlined that the pre-session working group for the twentieth session should be treated in the same way as all other pre-session working groups, especially in regard to input from the specialized agencies and other United Nations bodies and non-governmental organizations.

L. Optional Protocol

30. In its resolution 51/68, the General Assembly welcomed the report of the Open-ended Working Group on the Elaboration of a Draft Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women of the Commission on the Status of Women and decided to authorize the Open-ended Working Group to meet for ten working days, in parallel with the Commission on the Status of Women at its forty-first session in March 1997.

31. In adopting the report of the Commission on the Status of Women on its fortieth session, the Economic and Social Council decided, *inter alia*, that a representative of the Committee on the Elimination of Discrimination against Women should be invited to attend the next session of the Open-ended Working Group as a resource person.[7] At its sixteenth session, the Committee designated Ms. Silvia Cartwright as its representative to the Working Group.[8]

32. At the forty-first session of the Commission on the Status of Women, the Open-ended Working Group completed a first reading of a compilation text prepared by the Chairperson of the Group, based on the elements suggested by the Committee in suggestion No. 7, proposals made by members of the Open-ended Working Group at its first session and on views expressed by Governments and intergovernmental and non-governmental organizations (E/CN.6/1996/10 and Corr.1 and Add.1 and 2 and E/CN.6/1997/5).

33. In its decision 1997/227 of 21 July 1997, the Economic and Social Council renewed the mandate of the Open-ended

Working Group and endorsed a draft decision of the Commission on the Status of Women to invite a representative of the Committee on the Elimination of Discrimination against Women to attend the meetings of the Open-ended Working Group to be held in parallel with the forty-second and forty-third sessions of the Commission on the Status of Women in 1998 and 1999 as a resource person. At its seventeenth session in July 1997, the Committee again designated Ms. Silvia Cartwright to act as the resource person.[9]

M. Electronic information dissemination

34. During the period since the General Assembly adopted its resolution 51/68, the Division for the Advancement of Women has significantly developed the space on its homepage on the World Wide Web devoted to the Convention on the Elimination of All Forms of Discrimination against Women. The Convention, the reports of States parties and documents of the Committee, including general recommendations and concluding comments are posted on the page for easy access. In addition, there is a page dedicated to development relating to the proposed optional protocol. The Division cooperates closely with the Office of the United Nations High Commissioner for Human Rights, maintaining links between the Division's site and that of the Office of the High Commissioner.

Notes

[1] See A/35/428; A/36/295 and Add.1; A/7/349 and Add.1; A/38/378; A/39/486; A/40/608 and Add.1; A/42/627; A/43/605; A/44/457; A/45/426; A/47/368; A/48/354; A/49/308; A/50/346 and A/51/277.

[2] *Official Records of the General Assembly, Fifty-first Session, Supplement No. 38* (A/51/38), chapter I, section A, decision 15/1.

[3] For the text, see the Report of the Committee on the Elimination of Discrimination against Women (Sixteenth and seventeenth sessions), *Official Records of the General Assembly, Fifty-second Session, Supplement No. 38* (A/52/38/Rev.1), part two, chap. I, sect. A.

[4] Ibid., part two, chap. VI, para. 480.

[5] Ibid., part two, chap. VI, paras. 481 and 482.

[6] Ibid., part two, chap. V, para. 365.

[7] *Official Records of the Economic and Social Council, 1996, Supplement No. 1* (E/1996/96), decision 1996/240 of 22 July 1996.

[8] *Official Records of the General Assembly, Fifty-second Session, Supplement No. 38* (A/52/38/Rev.1), part one, chap. VI, para. 388.

[9] Ibid., part two, chap. VI, para. 484.

Annex I

List of States that have signed, ratified, acceded or succeeded to the Convention on the Elimination of All Forms of Discrimination against Women as at 1 August 1998

State	*Date of signature*	*Date of receipt of the instrument of ratification, accession or succession*
Afghanistan	14 August 1980	
Albania		11 May 1994[a]
Algeria		22 May 1996[a] [b]
Angola		17 September 1986[a]
Andorra		15 January 1997[a]
Antigua and Barbuda		1 August 1989[a]
Argentina	17 July 1980	15 July 1985[b]
Armenia		13 September 1993[a]
Australia	17 July 1980	28 July 1983[b]
Austria	17 July 1980	31 March 1982[b]
Azerbaijan		10 July 1995[a]
Bahamas		6 October 1993[a] [b]
Bangladesh		6 November 1984[a] [b]
Barbados	24 July 1980	16 October 1980
Belarus	17 July 1980	4 February 1981[c]
Belgium	17 July 1980	10 July 1985[b]
Belize	7 March 1990	16 May 1990
Benin	11 November 1981	12 March 1992
Bhutan	17 July 1980	31 August 1981
Bolivia	30 May 1980	8 June 1990
Bosnia and Herzegovina		1 September 1993[d]
Botswana		13 August 1996[a]
Brazil	31 March 1981[b]	1 February 1984[b]
Bulgaria	17 July 1980	8 February 1982[c]
Burkina Faso		14 October 1987[a]
Burundi	17 July 1980	8 January 1992
Cambodia	17 October 1980	15 October 1992[a]
Cameroon	6 June 1983	23 August 1994[a]
Canada	17 July 1980	10 December 1981[c]
Cape Verde		5 December 1980[a]
Central African Republic		21 June 1991[a]
Chad		9 June 1995[a]
Chile	17 July 1980	7 December 1989[b]
China	17 July 1980[b]	4 November 1980[b]
Colombia	17 July 1980	19 January 1982

State	*Date of signature*	*Date of receipt of the instrument of ratification, accession or succession*
Comoros		31 October 1994[a]
Congo	29 July 1980	26 July 1982
Costa Rica	17 July 1980	4 April 1986
Côte d'Ivoire	17 July 1980	18 December 1995[a]
Croatia		9 September 1992[d]
Cuba	6 March 1980	17 July 1980[b]
Cyprus		23 July 1985[a b]
Czech Republic[e]		22 February 1993[c d]
Democratic Republic of the Congo[f]	17 July 1980	17 October 1986
Denmark	17 July 1980	21 April 1983
Dominica	15 September 1980	15 September 1980
Dominican Republic	17 July 1980	2 September 1982
Ecuador	17 July 1980	9 November 1981
Egypt	16 July 1980[b]	18 September 1981[b]
El Salvador	14 November 1980[b]	19 August 1981[b]
Equatorial Guinea		23 October 1984[a]
Eritrea		5 September 1995[a]
Estonia		21 October 1991[a]
Ethiopia	8 July 1980	10 December 1981[b]
Fiji		28 August 1995[a b]
Finland	17 July 1980	4 September 1986
France	17 July 1980[b]	14 December 1983[b c]
Gabon	17 July 1980	21 January 1983
Gambia	29 July 1980	16 April 1993
Georgia		26 October 1994[a]
Germany[g]	17 July 1980	10 July 1985[b]
Ghana	17 July 1980	2 January 1986
Greece	2 March 1982	7 June 1983
Grenada	17 July 1980	30 August 1990
Guatemala	8 June 1981	12 August 1982
Guinea	17 July 1980	9 August 1982
Guinea-Bissau	17 July 1980	23 August 1985
Guyana	17 July 1980	17 July 1980
Haiti	17 July 1980	20 July 1981
Honduras	11 June 1980	3 March 1983
Hungary	6 June 1980	22 December 1980[c]
Iceland	24 July 1980	18 June 1985
India	30 July 1980[b]	9 July 1993[b]
Indonesia	29 July 1980	13 September 1984[b]
Iraq		13 August 1986[a b]
Ireland		23 December 1985[a b c]

State	*Date of signature*	*Date of receipt of the instrument of ratification, accession or succession*
Israel	17 July 1980	3 October 1991[b]
Italy	17 July 1980	10 June 1985[b]
Jamaica	17 July 1980	19 October 1984[b]
Japan	17 July 1980	25 June 1985
Jordan	3 December 1980[b]	1 July 1992[b]
Kenya		9 March 1984[a]
Kuwait		2 September 1994[a]
Kyrgyzstan		10 February 1997[a]
Lao People's Democratic Republic	17 July 1980	14 August 1981
Latvia		14 April 1992[a]
Lebanon		21 April 1997[a b]
Lesotho	17 July 1980	22 August 1995[a b]
Liberia		17 July 1984[a]
Libyan Arab Jamahiriya		16 May 1989[a b]
Liechtenstein		22 December 1995[a c]
Lithuania		18 January 1994[a]
Luxembourg	17 July 1980	2 February 1989[b]
Madagascar	17 July 1980	17 March 1989
Malawi		12 March 1987[c c]
Malaysia		5 July 1995[a b]
Maldives		1 July 1993[a b]
Mali	5 February 1985	10 September 1985
Malta		8 March 1991[a b]
Mauritius		9 July 1984[a c]
Mexico	17 July 1980[b]	23 March 1981
Mongolia	17 July 1980	20 July 1981[c]
Morocco		21 June 1993[a b]
Mozambique		16 April 1997[a]
Myanmar		22 July 1997[a c]
Namibia		23 November 1992[a]
Nepal	5 February 1991	22 April 1991
Netherlands	17 July 1980	23 July 1991[b]
New Zealand	17 July 1980	10 January 1985[b c]
Nicaragua	17 July 1980	27 October 1981
Nigeria	23 April 1984	13 June 1985
Norway	17 July 1980	21 May 1981
Pakistan		12 March 1996[a b]
Panama	26 June 1980	29 October 1981
Papua New Guinea		12 January 1995[a]
Paraguay		6 April 1987[a]
Peru	23 July 1981	13 September 1982

State	*Date of signature*	*Date of receipt of the instrument of ratification, accession or succession*
Philippines	15 July 1980	5 August 1981
Poland	29 May 1980	30 July 1980[c]
Portugal	24 April 1980	30 July 1980
Republic of Korea	25 May 1983[b]	27 December 1984[b, c]
Republic of Moldova		1 July 1994[a]
Romania	4 September 1980[b]	7 January 1982[b]
Russian Federation	17 July 1980	23 January 1981[c]
Rwanda	1 May 1980	2 March 1981
Saint Kitts and Nevis		25 April 1985[a]
Saint Lucia		8 October 1982[a]
Saint Vincent and the Grenadines		4 August 1981[a]
Samoa		25 September 1992[a]
Sao Tome and Principe	31 October 1995	
Senegal	29 July 1980	5 February 1985
Seychelles		5 May 1992[a]
Sierra Leone	21 September 1988	11 November 1988
Singapore		5 October 1995[a, b]
Slovakia[e]		28 May 1993[d]
Slovenia		6 July 1992[d]
South Africa	29 January 1993	15 December 1995[a]
Spain	17 July 1980	5 January 1984[b]
Sri Lanka	17 July 1980	5 October 1981
Suriname		1 March 1993[a]
Sweden	7 March 1980	2 July 1980
Switzerland		23 January 1987
Tajikistan		26 October 1993[a]
Thailand		9 August 1985[a, b, c]
The former Yugoslav Republic of Macedonia		18 January 1994[d]
Togo		26 September 1983[a]
Trinidad and Tobago	27 June 1985[b]	12 January 1990[b]
Tunisia	24 July 1980	20 September 1985[b]
Turkey		20 December 1985[a, b]
Turkmenistan		1 May 1997[a]
Uganda	30 July 1980	22 July 1985
Ukraine	17 July 1980	12 March 1981[c]
United Kingdom of Great Britain and Northern Ireland	22 July 1981	7 April 1986[b]
United Republic of Tanzania	17 July 1980	20 August 1985
United States of America	17 July 1980	
Uruguay	30 March 1981	9 October 1981
Uzbekistan		19 July 1995[a]

State	*Date of signature*	*Date of receipt of the instrument of ratification, accession or succession*
Vanuatu		8 September 1995[a]
Venezuela	17 July 1980	2 May 1983[b]
Viet Nam	29 July 1980	17 February 1982[b]
Yemen[h]		30 May 1984[a] [b]
Yugoslavia	17 July 1980	26 February 1982
Zambia	17 July 1980	21 June 1985
Zimbabwe		13 May 1991[a]

[a] Accession.

[b] Declarations or reservations.

[c] Reservation subsequently withdrawn.

[d] Succession.

[e] Before becoming a separate State on 1 January 1993, the Czech Republic and Slovakia formed part of Czechoslovakia, which had ratified the Convention on 16 February 1982. The Convention entered into force on 18 March 1982.

[f] Effective 17 May 1997, Zaire was renamed the Democratic Republic of the Congo.

[g] With effect from 3 October 1990, the German Democratic Republic (which ratified the Convention on 9 July 1980) and the Federal Republic of Germany (which ratified the Convention on 10 July 1985) united to form one sovereign State, which acts in the United Nations under the designation of "Germany".

[h] On 22 May 1990, Democratic Yemen and Yemen merged to form a single State, which acts in the United Nations under the designation of "Yemen".

Annex II

Reservations and declarations to the Convention on the Elimination of All Forms of Discrimination against Women made upon ratification between 1 August 1997 and 1 August 1998

Myanmar

[Original: English]
[22 July 1997]

Reservation

Article 29

[The Government of Myanmar] does not consider itself bound by the provision set forth in the said article.

Annex III

Objections to the Convention on the Elimination of All Forms of Discrimination against Women made between 1 August 1997 and 1 August 1998

Objection made by the Government of Austria to reservations made by the Government of Lebanon

[Original: English]
[20 February 1998]

With regards to reservations made by Lebanon upon accession:

[same objection, *mutatis mutandis*, as the one made for Pakistan]

Objection made by the Government of Denmark to reservations made by the Government of Lebanon

[Original: English]
[26 June 1998]

With regard to the reservations made by Lebanon in respect of article 9, paragraph 2, and article 16, subparagraphs 1 (c), (d), (f) and (g), inasmuch as the last paragraph deals with the right to choose a family name:

> "The Government of Denmark is of the view that the reservations made by the Government of Lebanon raise doubts as to the commitments of Lebanon to the object and purpose of the Convention and would recall that, according to article 28, paragraph 2, of the Convention, a reservation incompatible with the object and purpose of the present Convention shall not be permitted. For this reason, the Government of Denmark objects to the said reservations made by the Government of Lebanon.
>
> The Government of Denmark recommends that the Government of Lebanon reconsider their reservations to [the said Convention]."

Objections made by the Government of the Netherlands to reservations made by the Government of Lebanon

[Original: English]
[15 May 1998]

With regard to the reservations regarding article 9, paragraph 2, and article 16 first subparagraphs (c), (d), (f) and (g) made by Lebanon upon accession:

[Same objections, *mutatis mutandis*, as the one made for Kuwait.]

Objections made by the Government of Sweden to reservations made by the Government of Lebanon

[Original: English]
[27 January 1998]

With regard to the reservations made by Lebanon upon accession.

Annex IV

Withdrawals of reservations and declarations to the Convention on the Elimination of All Forms of Discrimination against Women between 1 August 1997 and 1 August 1998

Partial withdrawal of a reservation and declaration by Malaysia

[Original: English]
[6 February 1998]

The Government of Malaysia notified the Secretary-General that it had decided to withdraw its reservation made upon accession, which reads as follows:

> The Government of Malaysia declares that Malaysia's accession is subject to the understanding that the provisions of the Convention do not conflict with the provisions of the Islamic shariah law and the federal constitution of Malaysia. With regards thereto, further, the Government of Malaysia does not consider itself bound by the provisions of articles 2, subparagraph (f), 5, subparagraph (a), 7, subparagraph (b), 9 and 16 of the aforesaid Convention.

Withdrawal of a reservation and declaration by Mauritius

[Original: English]
[5 May 1998]

The Government of Mauritius informed the Secretary-General that it had decided to withdraw its reservations with regard to subparagraphs (b) and (d) of paragraph 1 of article 11 and subparagraph (g) of paragraph 1 of article 16 made upon accession.

Withdrawal of a reservation and declaration by Poland

[Original: English]
[16 October 1997]

The Government of Poland notified the Secretary-General that it had decided to withdraw its reservation with regard to article 29, paragraph 1, of the Convention made upon ratification.

Annex V

Communications received by States parties between 1 August 1997 and 1 August 1998

Communication received from the Government of Denmark

[Original: English]
[23 March 1998]

The Secretary-General received from the Government of Denmark a communication identical in essence, *mutatis mutandis*, as the one made for Kuwait, with regard to reservations made by Pakistan upon ratification.

Communication received from the Government of Denmark

[Original: English]
[26 June 1998]

The Government of Denmark has examined the reservations made by the Government of Lebanon at the time of its accession to the Convention on the Elimination of All Forms of Discrimination against Women in respect of article 9, paragraph 2, and article 16, subparagraphs, 1 (c), (d), (f) and (g), inasmuch as the last subparagraph deals with the right to choose a family name.

The Government of Denmark is of the view that the reservations made by the Government of Lebanon raise doubts as to the commitment of Lebanon to the object and purpose of the Convention and would recall that, according to article 28, paragraph 2, of the Convention, a reservation incompatible with the object and purpose of the present Convention shall not be permitted. For this reason, the Government of Denmark objects to the said reservations made by the Government of Lebanon.

The Government of Denmark recommends that the Government of Lebanon reconsider their reservations to the Convention on the Elimination of All Forms of Discrimination against Women.

Communication received from the Government of Sweden

[Original: English]
[13 August 1997]

The Secretary-General received from the Government of Sweden the following communication with regard to reservations made by Singapore:

> "The Government of Sweden is of the view that these general reservations raise doubts as to the commitment of Singapore to the object and purpose of the Convention and would recall that, according to article 28, paragraph 2, of the Convention, a reservation incompatible with the object and purpose of the Convention shall not be permitted.
>
> It is in the common interest of States that treaties to which they have chosen to become parties are respected, as to their object and purpose, by all parties and that States are prepared to undertake any legislative changes necessary to comply with their obligations under the treaties.
>
> The Government of Sweden is further of the view that general reservations of the kind made by the Government of Singapore, which do not clearly specify the

provisions of the Convention to which they apply and the extent of the derogation therefrom, contribute to undermining the basis of international treaty law.

The Government of Sweden therefore objects to the aforesaid general reservations made by the Government of Singapore to the [said Convention].

The objection does not preclude the entry into force of the Convention between Singapore and Sweden. The Convention will thus become operative between the two States without Singapore benefiting from these reservations.

It is the opinion of the Government of Sweden that no time limit applies to objections against reservations, which are inadmissible under international law."

Communication received from the Government of Sweden

[Original: English]
[13 August 1997]

The Secretary-General received from the Government of Sweden, a communication with regard to the declaration made by Pakistan, identical in essence, *mutatis mutandis*, as the one made for Singapore.

Annex VI

States parties whose reports are overdue as of 1 August 1998

State party	*Date due*
A. Initial reports	
Albania	10 June 1995
Algeria	21 June 1997
Andorra	14 February 1998
Angola	17 October 1987
Bahamas	5 November 1994
Benin	11 April 1993
Bhutan	30 September 1982
Bosnia and Herzegovina	1 October 1994
Botswana	12 September 1997
Brazil	2 March 1985
Burundi	7 February 1993
Cambodia	14 November 1993
Cameroon	22 September 1995
Cape Verde	3 September 1982
Central African Republic	21 July 1992
Chad	9 July 1996
Comoros	30 November 1995
Congo	25 August 1983
Costa Rica	4 May 1987
Côte d'Ivoire	17 January 1997
Dominica	3 September 1982
Eritrea	5 October 1996
Estonia	20 November 1992
Fiji	27 September 1996
Gambia	16 May 1994
Grenada	29 September 1991
Guinea	8 September 1983
Guinea-Bissau	22 September 1986
Haiti	3 September 1982
India	8 August 1994
Kuwait	2 October 1995
Kyrgyzstan	12 March 1998
Lao People's Democratic Republic	13 September 1982
Latvia	14 May 1993
Lebanon	21 May 1998
Lesotho	21 September 1996
Liberia	16 August 1985
Malaysia	4 August 1996

State party	*Date due*
Maldives	1 July 1994
Malta	7 April 1992
Mozambique	16 May 1998
Nepal	22 May 1992
Pakistan	11 April 1997
Papua New Guinea	11 February 1996
Republic of Moldova	31 July 1997
Saint Kitts and Nevis	25 May 1986
Saint Lucia	7 November 1983
Samoa	25 October 1993
Seychelles	4 June 1993
Sierra Leone	11 December 1989
Singapore	4 November 1996
Suriname	31 March 1994
Switzerland	26 April 1998
Tajikistan	25 October 1994
The former Yugoslav Republic of Macedonia	17 February 1995
Togo	26 October 1984
Trinidad and Tobago	11 February 1991
Turkmenistan	31 May 1998
Uzbekistan	18 August 1996
Vanuatu	8 October 1996
B. Second periodic reports	
Angola	17 October 1991
Benin	11 April 1997
Bhutan	30 September 1986
Bolivia	8 July 1995
Brazil	2 March 1989
Burundi	7 February 1997
Cambodia	14 November 1997
Cape Verde	3 September 1986
Central African Republic	21 July 1996
Congo	25 August 1987
Costa Rica	4 May 1991
Croatia	9 October 1997
Czech Republic	24 March 1997
Dominica	3 September 1986
Estonia	20 November 1996
Gabon	20 February 1988
Gambia	16 May 1998
Grenada	29 September 1991
Guinea	8 September 1987

State party	*Date due*
Guinea-Bissau	22 September 1990
Guyana	3 September 1986
Haiti	3 September 1986
Iraq	12 September 1991
Jordan	31 July 1997
Lao People's Democratic Republic	13 September 1986
Latvia	14 May 1997
Liberia	16 August 1989
Libyan Arab Jamahiriya	15 June 1994
Madagascar	16 April 1994
Malawi	11 April 1992
Maldives	1 July 1998
Mali	10 October 1990
Malta	7 April 1996
Morocco	21 July 1998
Namibia	23 December 1997
Nepal	22 May 1996
Netherlands	22 August 1996
Saint Kitts and Nevis	25 May 1990
Saint Lucia	7 November 1987
Samoa	25 October 1997
Seychelles	4 June 1997
Sierra Leone	11 December 1993
Slovakia	27 June 1998
Slovenia	5 August 1997
Suriname	31 March 1998
Togo	26 October 1988
Trinidad and Tobago	11 February 1995
Viet Nam	19 March 1987
Zimbabwe	12 June 1996
C. Third periodic reports	
Angola	17 October 1995
Belgium	9 August 1994
Bhutan	30 September 1990
Brazil	2 March 1993
Cape Verde	3 September 1990
Congo	25 August 1991
Costa Rica	4 May 1995
Cyprus	22 August 1994
Dominica	3 September 1990
El Salvador	18 September 1990
France	13 January 1993

State party	*Date due*
Gabon	20 February 1992
Ghana	1 February 1995
Guatemala	11 September 1991
Guinea	8 September 1991
Guinea-Bissau	22 September 1994
Guyana	3 September 1990
Haiti	3 September 1990
Iraq	12 September 1995
Kenya	8 April 1993
Lao People's Democratic Republic	13 September 1990
Liberia	15 August 1993
Libyan Arab Jamahiriya	15 June 1998
Madagascar	16 April 1998
Malawi	11 April 1996
Mali	10 October 1994
Mauritius	8 August 1993
Mongolia	3 September 1990
Paraguay	6 May 1996
Saint Kitts and Nevis	25 May 1994
Saint Lucia	7 November 1991
Senegal	7 March 1994
Sierra Leone	11 December 1997
Sri Lanka	4 November 1990
Togo	26 October 1992
Tunisia	20 October 1994
Uganda	21 August 1994
Viet Nam	19 March 1991
Yugoslavia	28 March 1991
Zambia	21 July 1994
D. Fourth periodic reports	
Australia	27 August 1996
Barbados	3 September 1994
Belarus	3 September 1994
Bhutan	30 September 1994
Brazil	2 March 1997
Bulgaria	10 March 1995
Cape Verde	3 September 1994
Congo	25 August 1995
Cuba	3 September 1994
Dominica	3 September 1994
Ecuador	9 December 1994
Egypt	18 October 1994

State party	*Date due*
El Salvador	18 September 1994
Equatorial Guinea	22 November 1997
Ethiopia	10 October 1994
France	13 January 1997
Gabon	20 February 1996
Greece	7 July 1996
Guatemala	11 September 1995
Guinea	8 September 1995
Guyana	3 September 1994
Haiti	3 September 1994
Honduras	2 April 1996
Hungary	3 September 1994
Italy	10 July 1998
Indonesia	13 October 1997
Kenya	8 April 1997
Lao People's Democratic Republic	13 September 1994
Liberia	16 August 1997
Mauritius	8 August 1997
Mongolia	3 September 1994
Nigeria	13 July 1998
Panama	28 November 1994
Poland	3 September 1994
Portugal	3 September 1994
Romania	6 February 1995
Rwanda	3 September 1994
Saint Kitts and Nevis	25 May 1998
Saint Lucia	7 November 1995
Saint Vincent and the Grenadines	3 September 1994
Senegal	7 March 1998
Spain	4 February 1997
Sri Lanka	4 November 1994
Togo	26 October 1996
Ukraine	3 September 1994
Uruguay	8 November 1994
Venezuela	1 June 1996
Viet Nam	19 March 1995
Yemen	29 June 1997
Yugoslavia	28 March 1995
Zambia	21 July 1998

Annex VII

States parties whose reports have been submitted but have not yet been considered by the Committee on the Elimination of Discrimination against Women as of 1 August 1998

State party	*Date due*	*Date received*	*Document symbol*
A. Initial reports			
Belize	15 September 1991	19 September 1996	CEDAW/C/BLZ/1-2
Democratic Republic of the Congo[a]	16 November 1987	1 March 1994	CEDAW/C/ZAR/1
Georgia	25 November 1985	9 March 1998	CEDAW/C/GEO/1
Jordan	31 July 1993	27 October 1997	CEDAW/C/JOR/1
Liechtenstein	21 January 1997	4 August 1997	CEDAW/C/LIE/1
Lithuania	17 February 1995	4 June 1998	CEDAW/C/LTU/1
B. Second periodic reports			
Belize	15 June 1995	19 June 1996	CEDAW/C/BLZ/1-2
Burkina Faso	13 November 1992	11 December 1997	CEDAW/C/BFA/2-3
Chile	6 January 1995	9 March 1995	CEDAW/C/CHI/2
Democratic Republic of the Congo[a]	16 November 1991	24 October 1996	CEDAW/C/ZAR/2
Equatorial Guinea	22 November 1989	6 January 1994	CEDAW/C/GNQ/2-3
Germany	9 August 1990	8 October 1996	CEDAW/C/DEU/2-3
Greece	7 July 1988	1 March 1996	CEDAW/C/GRC/2-3
Ireland	22 January 1991	6 February 1997	CEDAW/C/IRL/2-3
Jamaica	18 November 1989	17 February 1998	CEDAW/C/JAM/2-4
Thailand	8 September 1990	3 March 1997	CEDAW/C/THA/2-3
Uruguay	8 November 1986	3 February 1998	CEDAW/C/URY/2-3
C. Third periodic reports			
Austria	30 April 1991	25 April 1997	CEDAW/C/AUT/3-4
Belarus	3 September 1990	1 July 1993	CEDAW/C/BLR/3
Burkina Faso	13 November 1996	11 December 1997	CEDAW/C/BFA/2-3
China	3 September 1990	29 May 1997	CEDAW/C/CHN/3-4
Democratic Republic of the Congo[a]	16 November 1995	2 July 1998	CEDAW/C/COD/3
Egypt	18 October 1990	30 January 1996	CEDAW/C/EGY/3
Equatorial Guinea	22 November 1993	6 January 1994	CEDAW/C/GNQ/2-3
Finland	4 October 1995	28 January 1997	CEDAW/C/FIN/3
Germany	9 August 1994	8 October 1996	CEDAW/C/DEU/2-3
Greece	7 July 1992	1 March 1996	CEDAW/C/GRC/2-3
Iceland	3 July 1994	15 July 1998	CEDAW/C/ICE/3-4
Ireland	22 January 1995	7 August 1997	CEDAW/C/IRL/2-3
Jamaica	18 November 1993	17 February 1998	CEDAW/C/JAM/2-4
Luxembourg	4 March 1998	12 March 1998	CEDAW/C/LUX/3
		17 June 1998	CEDAW/C/LUX/3/Add.1

State party	*Date due*	*Date received*	*Document symbol*
Spain	4 February 1993	20 May 1996	CEDAW/C/ESP/3
Thailand	8 September 1994	3 March 1997	CEDAW/C/THA/2-3
United Kingdom of Great Britain and Northern Ireland	7 May 1995	16 August 1995 8 August 1997 14 July 1998	CEDAW/C/UK/3 CEDAW/C/UK/3/Add.1 CEDAW/C/UK/3/Add.2
Uruguay	8 November 1990	3 February 1998	CEDAW/C/URY/2-3
D. Fourth periodic reports			
Austria	30 April 1995	25 April 1997	CEDAW/C/AUT/3-4
China	3 September 1994	29 May 1997	CEDAW/C/CHN/3-4
Colombia	18 February 1995	8 July 1997	CEDAW/C/COL/4
Denmark	21 May 1996	9 January 1997	CEDAW/C/DEN/4
Iceland	3 July 1998	15 July 1998	CEDAW/C/ICE/3-4
Jamaica	18 November 1997	17 February 1998	CEDAW/C/JAM/2-4
Japan	25 July 1998	24 July 1998	CEDAW/C/JPN/4
Nicaragua	26 November 1994	16 June 1998	CEDAW/C/NIC/4
Sweden	3 September 1994	21 May 1996	CEDAW/C/SWE/4

[a] By a communication dated 20 May 1997, the Secretariat was informed by the Member State formerly known as Zaire that the name of the State had been changed to the Democratic Republic of the Congo.

Annex VIII

Reports of States parties which have been overdue for more than five years, list presented to the Committee at its nineteenth session

State party	*Date due*
A. Initial reports	
Angola	17 October 1987
Benin	11 April 1993
Bhutan	30 September 1982
Brazil	2 March 1985
Burundi	7 February 1993
Cape Verde	3 September 1982
Central African Republic	21 July 1992
Congo	25 August 1983
Costa Rica	4 May 1987
Dominica	3 September 1982
Estonia	20 November 1992
Grenada	29 September 1991
Guinea	8 September 1983
Guinea-Bissau	22 September 1986
Haiti	3 September 1982
Lao People's Democratic Republic	13 September 1982
Latvia	14 May 1993
Liberia	16 August 1985
Malta	7 April 1992
Nepal	22 May 1992
Saint Kitts and Nevis	25 May 1986
Saint Lucia	7 November 1983
Sierra Leone	11 December 1989
Togo	26 October 1984
Trinidad and Tobago	11 February 1991
B. Second periodic reports	
Angola	17 October 1991
Bhutan	30 September 1986
Brazil	2 March 1989
Cape Verde	3 September 1986
Congo	25 August 1987
Costa Rica	4 May 1991
Dominica	3 September 1986
Gabon	20 February 1988
Guinea	8 September 1987
Guinea-Bissau	22 September 1990
Guyana	3 September 1986

State party	*Date due*
Haiti	3 September 1986
Iraq	12 September 1991
Lao People's Democratic Republic	13 September 1986
Liberia	16 August 1989
Malawi	11 April 1992
Mali	10 October 1990
Saint Kitts and Nevis	25 May 1990
Saint Lucia	7 November 1987
Togo	26 October 1988
Viet Nam	19 March 1987
C. Third periodic reports	
Bhutan	30 September 1990
Brazil	2 March 1993
Cape Verde	3 September 1990
Congo	25 August 1991
Dominica	3 September 1990
El Salvador	18 September 1990
France	13 January 1993
Gabon	20 February 1992
Guatemala	11 September 1991
Guinea	8 September 1991
Guyana	3 September 1990
Haiti	3 September 1990
Kenya	8 April 1993
Lao People's Democratic Republic	13 September 1990
Mongolia	3 September 1990
Saint Lucia	7 November 1991
Sri Lanka	4 November 1990
Togo	26 October 1992
Viet Nam	19 March 1991
Yugoslavia	28 March 1991

Annex IX

Procedures and format for the elaboration of concluding comments

1. The Committee designates from among its members a country rapporteur for the report of each State party.

2. Assisted by the Secretariat, the country rapporteur seeks additional information on the situation of women in the State party under review. The findings of the country rapporteur are presented as a briefing on the report at a closed meeting before the State party's presentation. In the case of periodic reports, the rapporteur's report is sent in advance to the pre-session working group.[a]

3. The Committee holds a closed meeting after the constructive dialogue to consider the main issues and trends to be reflected in the concluding comments relating to the report of the State party. Concluding comments drafted thereafter reflect only the views expressed at the meetings during which the report is presented and not the views of the individual country rapporteurs.

4. The expert nominated as a country rapporteur drafts the concluding comments in close collaboration with the general rapporteur of the Committee and with the support of the Secretariat.

5. Concluding comments are preceded by a summary of the State party's presentation, which is prepared by the Secretariat.

6. Concluding comments usually follow a standard format under four headings: introduction; positive aspects; factors and difficulties affecting the implementation of the Convention; principal areas of concern and recommendations.

7. The introduction contains comments on whether the report has followed the Committee's guidelines for the preparation of initial and periodic reports; whether it was sufficient or insufficient; whether it incorporates or refers to statistical information disaggregated by sex; and the Committee's general recommendations. Whether there are any reservations to the Convention; whether reservations have been withdrawn; whether the State party has objected to the reservations of other States parties; and whether the State party has mentioned the implementation of the Beijing Platform for Action are issues which are addressed in this section, as well as the nature and relevance of the oral presentation. An objective indication of the strengths of the report and the strength of the delegation is generally included.

8. The "positive aspects" section is organized in the order of the articles of the Convention.

9. The "factors and difficulties" section describes major overarching reasons why the Convention on the Elimination of All Forms of Discrimination against Women has not been implemented fully by the State party. Any reservations to the Convention are also addressed in this section,[b] as well as other legal impediments to the implementation of the Convention.

10. The "principal areas of concern and recommendations" section is organized in the order of the importance of the particular issues to the country under review and provides concrete proposals from the Committee on the problems identified in the rest of the comments.

11. The concluding comments include reference to any commitments of the State party made at the Fourth World Conference on Women, which was held in Beijing from 4 to 15 September 1995.

12. Where appropriate, the concluding comments include specific suggestions to the States parties with regard to possible technical assistance from the Office of the United Nations High Commissioner for Human Rights and other parts of the United Nations system. Recommendations relating to technical assistance could, for example, be directed at reservations, review of legislation and law reform.

13. Concluding comments close with a recommendation relating to dissemination, requesting the wide dissemination of the concluding comments in the State party concerned, in order to make the people in the State party, and in particular its government administrators and politicians, aware of the steps that have been taken to ensure de facto equality for women and the further steps required in that regard. It also requests the State party to continue to disseminate widely, and in particular to women's and human rights organizations, the Convention, the Committee's general recommendations and the Beijing Declaration and the Platform for Action.

14. Each concluding comment is internally balanced, and the Committee strives to achieve consistence and balance, particularly in terms of praise and expressions of concern, among the concluding comments elaborated at each session. Accordingly, the Committee considers concluding comments comparatively in an effort to ensure that they are even.

Notes

[a] *Official Records of the General Assembly, Fifty-second Session, Supplement No. 38* (A/52/38/Rev.1), part two, para. 469.

[b] At its thirteenth session, the Committee agreed that for those States parties that have entered substantive reservations to the Convention, it would include, in the concluding comments it prepares following the review of their reports, a section in which the Committee's views would be reflected. *Official Records of the General Assembly, Forty-ninth Session, Supplement No. 38* (A/49/38), chap. I, sect. C, para. 10.

Annex X

Contribution to the commemoration of the fiftieth anniversary of the Universal Declaration of Human Rights

Statement on reservations

Introduction

1. The Committee on the Elimination of Discrimination against Women wishes to mark the fiftieth anniversary of the Universal Declaration of Human Rights and the five-year review of the Vienna Declaration and Programme of Action with a statement concerning the adverse impact that reservations to the Convention on the Elimination of All Forms of Discrimination against Women have on the achievement by women of full and substantive equality with men. The Committee has extensive experience of the impact of reservations gained from the examination of States parties' reports. It has also noted the increasing concern expressed by other human rights treaty bodies, the International Law Commission, some Member States, the World Conference on Human Rights and the Fourth World Conference on Women, as well as scholars and non-governmental organizations, at the number and extent of reservations to human rights treaties, and to this Convention in particular.

Background

2. The Committee has, on a number of occasions, expressed its views and concerns regarding the number and extent of reservations to the Convention.[a] It has also noted that some States parties that enter reservations to the Convention do not enter reservations to analogous provisions in other human rights treaties. A number of States enter reservations to particular articles on the ground that national law, tradition, religion or culture is not congruent with Convention principles, and purport to justify the reservation on that basis. Some States enter a reservation to article 2, although their national constitutions or laws prohibit discrimination. There is therefore an inherent conflict between the provisions of the State's constitution and its reservation to the Convention. Some reservations are drawn so widely that their effect cannot be limited to specific provisions in the Convention.

3. Several States parties have entered interpretative declarations to the Convention on ratification or accession. While it is not always easy to distinguish a declaration from a reservation, any statement, irrespective of its title, which seeks to modify the legal effect of the Convention in respect of a State party, will be considered by the Committee to be a reservation.[b] The Committee has noted, in this regard, that a number of States parties have entered general declarations which constitute, in fact, general reservations.

Reservations to the Convention

4. As at 1 July 1998, 161 States parties had ratified the Convention on the Elimination of All Forms of Discrimination against Women. Fifty-four States had entered reservations to one or more articles in the Convention including permissible reservations to article 29 (1) and (2).

5. Articles 2 and 16 are considered by the Committee to be core provisions of the Convention. Although some States parties have withdrawn reservations to those articles, the Committee is particularly concerned at the number and extent of reservations entered to those articles.

Impermissible reservations

6. Article 28, paragraph 2, of the Convention adopts the impermissibility principle contained in the Vienna Convention on the Law of Treaties. It states that a reservation incompatible with the object and purpose of the present Convention shall not be permitted.

7. Although the Convention does not prohibit the entering of reservations, those which challenge the central principles of the Convention are contrary to the provisions of the Convention and to general international law. As such they may be challenged by other States parties.

8. States Parties condemn discrimination against women in all its forms, agree to pursue by all appropriate means and without delay a policy of eliminating discrimination against women and, to this end, undertake:

(a) To embody the principle of the equality of men and women in their national constitutions or other appropriate legislation, if not yet incorporated therein, and to ensure, through law and other appropriate means, the practical realization of this principle;

(b) To adopt appropriate legislative and other measures, including sanctions where appropriate, prohibiting all discrimination against women;

(c) To establish legal protection of the rights of women on an equal basis with men and to ensure through competent national tribunals and other public institutions the effective protection of women against any act of discrimination;

(d) To refrain from engaging in any act or practice of discrimination against women and to ensure that public authorities and institutions shall act in conformity with this obligation;

(e) To take all appropriate measures to eliminate discrimination against women by any person, organization or enterprise;

(f) To take all appropriate measures, including legislation, to modify or abolish existing laws, regulations, customs and practices which constitute discrimination against women;

(g) To repeal all national penal provisions which constitute discrimination against women.

9. Reservations affect the efficacy of the Convention, whose objective is to end discrimination against women and to achieve *de jure* and de facto equality for them. Reservations prevent the Committee from assessing the progress of States parties' implementation of the Convention, limit its mandate and potentially affect the entire human rights regime. Some States are concerned about a perceived conflict between article 2 and the Islamic shariah law. In other instances, States have entered reservations, which, although unspecific, are broad enough to encompass article 2. These reservations pose an acute problem for the implementation of the Convention and for the Committee's ability to monitor compliance with it. Several have entered reservations to article 2 to protect rights of succession to the throne and to chiefly and other traditional titles. This too is discriminatory against women.

10. In general recommendation 20, the Committee, *inter alia*, sought to resolve the problem of impermissible reservations. And, in June 1993, the Vienna Declaration and Programme of Action encouraged States to consider limiting the extent of any reservations they lodged to international human rights instruments, to formulate any reservations as precisely and narrowly as possible, to ensure that none is incompatible with the object and purpose of the relevant treaty and to regularly review any reservations with a view to withdrawing them. In spite of these recommendations, to date few reservations to article 2 have been modified or withdrawn by any State party.

Article 16

11. The Committee has previously analysed article 16 in its general recommendation 21. In the course of the analysis of factors impeding compliance with article 16, it said:

> "*Reservations*
>
> "The Committee has noted with alarm the number of States parties which have entered reservations to the whole or part of article 16, especially when a reservation has also been entered to article 2, claiming that compliance may conflict with a commonly held vision of the family, based, *inter alia*, on cultural or religious beliefs or on a country's economic or political status.
>
> "Many of these countries hold a patriarchal belief in the structure of a family which places a father, husband or son in a favourable position. In some countries where fundamentalist or other extremist views or economic hardship have encouraged a return to old values and traditions, women's place in the family has deteriorated sharply. In others, where it has been recognized that a modern society depends for its economic advance and for the general good of the community on involving all adults equally, regardless of gender, these taboos and reactionary or extremist ideas have progressively been discouraged.
>
> "Consistent with articles 2, 3 and 24 in particular, the Committee requires that all States parties gradually progress to a stage where, by their resolute discouragement of notions of the inequality of women in the home, each country will withdraw its reservation, in particular to articles 9, 15 and 16 of the Convention.
>
> "States parties should resolutely discourage any notions of inequality of women and men which are affirmed by laws or by private law or custom, and progress to the stage where reservations, in particular to article 16, will be withdrawn."[c]

12. The Committee again emphasizes these recommendations and encourages States parties to note, adopt and implement them.

Impact of reservations

13. Reservations to any human rights treaty limit the application of internationally accepted human rights norms at the national level. They will also indicate clearly the degree of commitment of the reserving State to full compliance with the particular treaty.

14. When reservations are made to the Convention on the Elimination of All Forms of Discrimination against Women, there can be a double impact. By entering a reservation, the State indicates its unwillingness to comply with an accepted human rights norm. It also ensures that women's inequality with men will be entrenched at the national level. The

promise given to its women when the State ratifies the Convention is not therefore fulfilled. This not only affects women's ability to exercise and enjoy their rights, but also guarantees that they will remain inferior to men and have less access to the full range of civil, political, economic, social and cultural rights enjoyed by men. The ramifications for women are significant. They must compete with men on an unequal footing for such fundamental rights as equality of income, access to education, housing and health care and equality of rights and responsibilities within the family. Reservations to articles 2 and 16 perpetuate the myth of women's inferiority and reinforce the inequalities in the lives of millions of women throughout the world. They continue to be treated in both public and private life as inferior to men and to suffer greater violations of their rights in every sphere of their lives.

15. The Committee holds the view that article 2 is central to the objects and purpose of the Convention. States parties which ratify the Convention do so because they agree that discrimination against women in all its forms should be condemned and that the strategies set out in article 2, subparagraphs (a) to (g), should be implemented by States parties to eliminate it.

16. Neither traditional, religious or cultural practice nor incompatible domestic laws and policies can justify violations of the Convention. The Committee also remains convinced that reservations to article 16, whether lodged for national, traditional, religious or cultural reasons, are incompatible with the Convention and therefore impermissible and should be reviewed and modified or withdrawn.

Removing reservations

17. The Committee considers that those States parties which have entered reservations to the Convention have certain options open to them. According to the Special Rapporteur appointed by the International Law Commission to report on the law and practice relating to reservations to treaties a State party may:

(a) After having examined the finding in good faith, maintain its reservation;

(b) Withdraw its reservation;

(c) "Regularize" its situation by replacing its impermissible reservation with a permissible reservation;

(d) Renounce being a party to the Treaty.

18. The Committee has already noted that to date, few reservations to article 2 have been withdrawn or modified by any State party and that reservations to article 16 are rarely withdrawn.

19. While article 29 provides an inter-State dispute procedure, a number of States have entered reservations to article 29 itself, thereby limiting its effect. Some States formally lodge objections to reservations to articles 2 or 16. The Committee recognizes and appreciates the positive impact that the use of this procedure can have in encouraging States to withdraw or modify reservations and the empowering effect these objections have for women in the State party. It is optimistic that more States parties will rigorously review and object to impermissible reservations to the Convention.

20. The Committee also acknowledges the view of the Special Rapporteur appointed by the International Law Commission that objections by States are not only a means of exerting pressure on reserving States, but also serve as a useful guide for the assessment of the permissibility of a reservation by the Committee itself.

The role of the Committee

21. The Committee has an important role to play, one which has been mandated by the Vienna Declaration and Programme for Action, which, in paragraph 39, states that the Committee should continue its review of reservations.

22. The Committee concludes that it has certain responsibilities as the body of experts charged with the consideration of periodic reports submitted to it. The Committee, in its examination of States' reports, enters into constructive dialogue with the State party and makes concluding comments routinely expressing concern at the entry of reservations to articles 2 and 16 or the failure of States parties to withdraw or modify them.

23. The Special Rapporteur considers that control of the permissibility of reservations is the primary responsibility of the States parties. However, the Committee again wishes to draw to the attention of States parties its grave concern at the number and extent of impermissible reservations. It also expresses concern that, even when States object to such reservations, there appears to be a reluctance on the part of the States concerned to remove and modify them and thereby comply with general principles of international law.

Conclusion

24. Fifty years after the adoption of the Universal Declaration of Human Rights, the great majority of Member States have signified their commitment to the Convention by ratification or accession. It is now time to re-examine States' self-imposed limitations to full compliance with all the principles in the Convention by the entry of reservations. Removal or modification of reservations, particularly to articles 2 and 16, would indicate a State party's determination to remove all barriers to women's full equality and its commitment to ensuring that women are able to participate fully in all aspects of public and private life without fear of discrimination or recrimination. States which remove reservations would be making a major contribution to achieving the objectives of both formal and de facto or substantive compliance with the Convention – a laudable and appropriate contribution to the commemoration of 50 years of compliance with the Universal Declaration of Human Rights, as well as implementation of the 1993 Vienna Declaration and Programme of Action.

Notes

[a] General recommendations 4, 20 and 21.

[b] Article 2 (subpara. 1) d, Vienna Convention on the Law of Treaties, 1969.

[c] General recommendation No. 21 (thirteenth session, 1994), *Equality in marriage and family relations*, paras. 41-44.

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Macroeconomic policy questions: commodities

World commodity trends and prospects

Note by the Secretary-General

The Secretary-General has the honour to submit to the General Assembly, as requested in its resolution 51/169 of 16 December 1996, the attached report, which was prepared by the United Nations Conference on Trade and Development.

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Annex

Report by the United Nations Conference on Trade and Development on world commodity trends and prospects

I. Introduction

1. During 1985–1997, primary commodity prices experienced one of the least favourable trends in recent decades. With the onset of the Asian crisis in mid-1997, the prospects of many commodity markets have also become even more uncertain. But commodity exports continued to constitute a major source of foreign exchange earnings for a large number of developing countries. Therefore, the sustained development of these countries is very much dependent on the successful realization of the potential of this sector.

2. Conscious efforts by these countries to improve the productivity of their commodity production and to identify and exploit the emerging opportunities, particularly in non-traditional areas, are a prerequisite for many of them to escape from further marginalization.

3. After reviewing recent developments in the commodity economy, including the changes in the international environment, which may influence deeply its prospects, the present report examines a number of policy measures that could be taken by the developing countries and associated international cooperation and support.

II. Recent developments

A. Prices and terms of trade

4. During 1985–1997, primary commodity prices[1] experienced one of the least favourable trends in recent decades. In current dollar terms, the combined index of non-oil primary commodities registered an increase of a mere 2.2 per cent annually, which corresponded to a yearly decline of 0.5 per cent in real terms. The most pronounced declines in real terms were observed for all the major tropical beverages, coffee, cocoa, and tea. Real prices of metals were also weak, in particular those of tin and tungsten, while groundnuts among the oilseeds, hides and skins, wool and jute among the agricultural materials also suffered sharp declines in terms of trade during those years. Thus, in spite of some recovery during the 1990s when the general commodity price levels recovered both in current and real terms (at annual rates of 4.2 per cent and 2.8 per cent, respectively, during 1991–1997), they still remained very depressed by past standards.

5. A particular feature about commodity prices during the current cycle is how little they have responded to the recovery in industrial demand during the past year. Thus, with the exception of the prices of tropical beverages, in particular coffee and tea, the prices of the other commodities either declined or rose only marginally. These price developments during the recent economic recovery contrasted sharply with those prevailing during the previous comparable recovery in 1994. Thus, while growth of real gross domestic product (GDP) in the developed countries, at 3 per cent annually, was the same in both 1994 and 1997, the price in current dollars of agricultural raw materials increased by 14.6 per cent in 1994 but actually declined by close to 10 per cent in 1997. Similarly, while the prices of ore and metals rose by 13.4 in 1994, they were only 3 per cent higher in 1997 as compared to 1996.

6. The reasons for these discrepancies seem many. First, many commodities appeared to be in ample supply, a situation brought about in many cases by previous and temporary high levels of prices. Second, inflationary tendencies in many developed countries were very subdued during the current phase of the expansion, and thus did not provide a stimulus to speculative buying of commodities. The more subdued prices movements during the recent past also reflected the strength of the United States dollar, which rose in effective terms by 6.5 per cent in 1996 and 7.8 per cent in 1997 after years of relative stability during the first half of the 1990s.[2]

B. Global economic environment: initial effects of the Asian crisis

7. The problems faced by commodity markets are compounded by the adverse effects of the crisis in East Asia, which have already become apparent during recent months. In fact, many of these fast-growing economies in East Asia had become major markets for a wide range of commodities, including metals, agricultural materials, high-valued foodstuffs, and energy supplied by other developing countries. Many among them are also major commodity suppliers.

Table 1
Monthly indices of market prices of selected primary commodities
(United States dollars, June 1997=100)

	December 1997	*January 1998*	*February 1998*
Copper	67	65	64
Sawnwood	67	57	66
Rubber	67	64	71
Wool	81	74	73
Jute	74	74	75
Nickel	84	78	76
Zinc	82	82	78
Lead	86	86	84
Cotton	92	92	92
Aluminium	98	95	93
Tin	99	94	94
Rice	83	93	94
Hides and skins	103	94	95
Petroleum	96	84	79

Source: UNCTAD, *Monthly Commodity Price Bulletin*, March 1998.

8. The financial crisis, initially confined to Thailand, Malaysia, Indonesia and the Philippines, started to spread to a number of other emerging markets. The Republic of Korea, in particular, was thus seriously affected toward the end of 1997. The export performance of the East Asian countries, most notably the Association of South-East Asian Nations countries, weakened markedly in 1995–1996 as activity in their major trading partners slowed down. This, combined with excess supply in electronics commodities, led to considerable declines in export earnings. The external situation was then aggravated by a

loss of competitiveness, due partly to high domestic inflation and partly to the appreciations of the United States dollar to which currencies in the region were pegged.

9. A precise assessment of the impact of the crisis on the rest of the world is difficult, first because of the rapid and significant changes in the economic and financial situations in many of the countries concerned. It is also difficult because of the lack of knowledge about the exact course of policy adjustments to be adopted in other regions. What is probable, however, is that a large amount of the coming adjustment will take place in terms of changes in trade flows. With the expected declines in demand in most of East Asia, their imports are expected to be much reduced. An export drive on the part of the Asian countries can also be expected. This will be much helped by the large devaluations of their currencies during recent months.[3]

10. What is of relevance in the context of commodity market prospects is the fact that many of the countries in the region are also major exporters of commodities. For example, the region is an important source of supply of vegetable oilseeds and oils (Malaysia, Indonesia); coffee (Indonesia); natural rubber (Thailand, Indonesia, Malaysia, Viet Nam); bananas (Philippines); tea (Indonesia); cocoa beans (Indonesia, Malaysia); tin (Malaysia, Singapore, Indonesia); and copper (Indonesia). On the other hand, the recent rapid expansion of the economies in East Asia had led to a significant rise in their import demand for commodities. The importance of this market can be gauged by the fact that the combined GDP of the developing countries in the region amounted to about one third of that of the United States of America or Western Europe. In general, the potential for commodity import into East Asia had been high since the levels of consumption of a wide range of commodities, including foodstuffs, agricultural raw materials, minerals and metals, were relatively low by world standards. The energy and materials-intensive pattern of their economic development had been instrumental in raising their levels of consumption of agricultural raw materials, minerals and metals during the long years of fast economic expansion, much of which was imported. But domestic supply of essential commodities had not kept pace with the fast growth of demand. This situation prevailed not only in foodstuffs and other agricultural products but also in minerals and metals despite intensive efforts at exploration and development in countries with geological potential. For example, the bulk of cotton consumption in the major producers of textiles and clothing in the region was imported from abroad. The region's share of world consumption of metals and minerals, on the other hand, approximately doubled during the decade from 1986 to 1995.

11. Asian demand has also been adversely affected by financial factors, especially the lack of ready trade credit because of the fragility of the regions' banking systems. On the commodity supply side, the financial crisis has prompted many regional producers to increase their output. However, it appears that the sharp devaluations of the currencies in the region have not been of immediate benefit to many local exporters, because in some instances exports have been much rationed to secure supplies for the domestic markets in order to contain inflationary pressures. The collapse of many of the currencies in East Asia could also cause serious problems for crop financing in many countries in the region. Many investment projects, which have been funded by dollar loans, have lost half of their value and may face serious cash flow problems. One example is Thailand, where major milling companies have funded projects to diversify into the tourism industry.

12. Latest available information suggests that the impact of the Asian region's reduced activity, and thus demand, has already been felt in the world commodity markets. For example, the decline of metal prices was in response to the weakening of activity in the automobile and construction industries in the region. Further, the crisis in the Asia region, which accounted for approximately half of the increase in world consumption of petroleum

products during the 1990s, largely contributed to the recent fall of world crude oil prices. And in the food sector, declining incomes may cause change in consumption patterns towards more traditional diets, thus reducing the imports of high-value products. As to the supply side, there may be a switch in input mixes used in production and investment in favour of domestic products, although available statistics do not yet reveal significant changes.

13. Recent price declines, some of them very pronounced, were observed for many commodities, which altogether accounted for about one third of non-oil primary exports of the developing countries. Of course, factors other than the crisis also contributed to these declines. However, there is no doubt that the prices of agricultural raw materials, metals (in particular copper and nickel) and to a somewhat lesser extent energy products have been adversely affected by the depressed demand stemming from the crisis. As can be seen from table 1, the falls in the indices of prices were quite widespread, and affected both agricultural commodities and the metals. Among the metals, copper prices declined by 36 per cent between June 1997 and February 1998, nickel by 24 per cent, zinc 22 per cent, and lead 16 per cent, while among the agricultural materials sawnwood prices fell by 34 per cent, rubber 29 per cent, wool 27 per cent, and jute 25 per cent. But while the prices of the agricultural commodities appeared to have more or less stabilized, albeit at lower levels than those prevailing in mid 1997, most metal prices and that of petroleum continued to deteriorate up to February 1998 (recent developments in major commodity markets, including those especially affected by the crisis, are examined below).

14. These prices declines can be expected to affect adversely a large number of developing countries that are highly dependent on commodities for their exports. This is illustrated by the data compiled in table 2. Thus, the potentially affected developing countries are located in all regions: 12 in Africa, 8 in Latin America and 18 in Asia.

Table 2
Developing countries with commodities experiencing price declines during June 1997–February 1998

	Commodities[a]													
Country	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*
Algeria														B
Angola														A
Bahrain														A
Bolivia		C									B			
Brunei Darussalam														B
Cambodia		B												
Cameroon		B							C					B
Central African Rep.		B												
Chile	B													
Colombia														B
Congo, (Dem. Rep. of)		C												A
Côte d'Ivoire		B							C					
Ecuador														B
Egypt									C	C		C		B
Ethiopia													B	
Gabon		C	C											A
Indonesia		B	C											B
Iran (Islamic Rep. of)													C	A
Iraq														A
Kuwait														A
Libyan Arab Jam.														A
Malaysia		C												C
Mexico														B
Myanmar		B	C									C		
Nigeria		C	C											A
Oman														A
Papua New Guinea	B	B												B
Paraguay									B					
Peru	B						C							
Qatar														A
Saudi Arabia														A
Sudan									B				C	
Swaziland		B												
Syrian Arab Rep.									C				C	A
Togo									B					
Trinidad and Tobago														B
Uganda									C				C	

Country	Commodities[a]													
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*
United Arab Emirates										C				A
Tanzania, United Rep of									B					
Venezuela										C				B
Viet Nam												C		B
Yemen														A
Zambia	A													

A: Accounting for over 50 per cent of total exports
B: Accounting for between 10 and 50 per cent
C: Accounting for less than 10 per cent

Source: UNCTAD, *Monthly Commodity Price Bulletin*, March 1998, and UNCTAD, *Handbook of International Trade and Development Statistics 1995*.

[a] Commodities indicated altogether accounted for at least 10 per cent of total exports of the countries concerned. Commodities, by number of column above, with percentage price change June 1997–February 1998 indicated in parentheses ( ), are:

1 Copper (-36)
2 Sawnwood (-34)
3 Rubber (-29)
4 Wool (-27)
5 Jute (-25)
6 Nickel (-24)
7 Zinc (-22)
8 Lead (-16)
9 Cotton (-8)
10 Aluminium (-7)
11 Tin (-6)
12 Rice (-6)
13 Hides and skins (-5)
14 Petroleum (-21)

C. Main features of recent developments in selected commodity markets

1. Foodstuffs

15. Supplies remained plentiful for many foodstuffs. In particular, the sugar market continued to suffer from refinery overcapacity, and supplies remain plentiful thanks to surges in refinery activities. More generally, large new state-of-the-art sugar refineries have been erected in East Asia, and smaller plants have also been built in other parts of the world as both producers and importers of raw sugar have tried to augment the value added content of their processing operation. Many of these plants, however, will not be viable, and have either to be shut down or run at a loss if the difference between white and raw sugar prices narrows significantly, as it has recently. On the whole, sugar remains in plentiful supply on the world market, and there is an estimated excess of exportable sugar over estimated import demand.

16. Supplies of coffee are also plentiful thanks, for example to the bumper Brazilian harvest. The International Coffee Organization has forecast a global surplus, the first such to occur since 1992, and thus coffee stocks will probably remain high. Moreover, recent trends also suggest significant expansion of production over the longer term as recent near record prices, following the 1994 boom, have encouraged investment by coffee growers worldwide. Yields in coffee plantation can also be expected to improve following the wave of spending on farm maintenance, which was also boosted by cheap fertilizer costs. However, the effects of the increased plantings proper will be felt only in the longer term. Consequently, the pattern of boom-bust for coffee is not about to disappear, hence the Association of Coffee Producing Countries plan to regulate supplies. Meanwhile, growth of demand is expected to remain sluggish and can be expected to be adversely affected by the East Asian crisis, and the coffee market is still under the threat of crop failures. In particular, El Niño may still have a negative impact on production in the near future.

17. As for cocoa, prospects remain poor since for the immediate future consumption growth could be adversely affected by recent high prices. However, the recent above average rate of growth of chocolate consumption, especially in North America, if sustained, would provide a boost to the cocoa market. Prospects also depend on whether the European Union will finally allow all member countries to use cocoa butter substitutes, a decision that could displace up to 200,000 tons of cocoa a year. Currently, El Niño's impact on cocoa production appeared to have been less damaging than expected, but the situation remains very uncertain. Indeed, it has been estimated that a deficit of up to half a million tons could lead to a stock depletion well below the critical level of 30 per cent of consumption.

18. For other beverages, while current stocks, such as those of tea, are low, there is the ever-present threat of much expanded production globally in the years to come. Thus, future production is critical in determining prices in a market becoming more supply- than demand-driven. In fact, a serious crop setback in any one of the major producers – India, Kenya or Sri Lanka – could lead to a large price hike. The prospects are for intense competition for export markets, including in particular that of the Russian Federation. On the demand side, a welcome boost can be expected from the results of current research vaunting the health benefits from black tea consumption. 1997 was a good year for tea growers, as prices rose in response to buoyant demand from the Russian Federation. Prices were also boosted by sharply reduced supplies from Kenya due to drought. For the near future, El Niño remains a potentially disruptive influence on production. The most promising development on the demand side remains the surge in consumption in India. Nevertheless, demand can be expected to remain sluggish elsewhere, including the United Kingdom of Great Britain and Northern Ireland, Western Europe in general and the United States. The danger remains that

sustained price rises could encourage production increases, especially by smallholders. Prospects appear to be continued marginal oversupply; this, combined with low stocks and sustained demand, especially in Eastern Europe may help to sustain prices.

Agricultural raw materials

19. For industrial materials, prospects depend critically on demand conditions in the Asian crisis countries, and the prices of natural rubber, in particular, have weakened markedly in recent months. Rubber consumption depends to a very large extent on the pace of car production and sales. In fact, up to 70 per cent of all natural rubber is used in the production of car tyres. Natural rubber demand is particularly exposed to disruption by the crisis in East Asia since the region is today the biggest user of the commodity, consuming about half of the world's supplies. The East Asian countries' recent high growth has been fuelling natural rubber demand in recent years. The prospects for the natural rubber market are thus particularly worrisome, with the danger that the effects of the crisis may spread to other regions, in particular Latin America, where Brazil is the region's fastest growing consumer of natural rubber. On the supply side, however, the currency devaluations of the major natural rubber producers, i.e., Indonesia, Malaysia and Thailand, may stimulate output since the devaluations have increased growers' returns despite declines in dollar prices. Prospects are for continued oversupply, which in mid-1997 already had almost prompted support buying on the part of the International Natural Rubber Organization (INRO). In all likelihood, the natural rubber market will thus be in surplus for a third year in a row. INRO may intervene in the market to prop up prices since it has the funds to buy natural rubber to protected internationally agreed floor prices, an action that may well take place during the current phase of weakness in the market. In addition, El Niño may reduce East Asian rubber production, at least in the short term.

20. The impact of the Asian crisis can also be determinant for the cotton market. Thus, for this market the impact of the Asian crisis, with the sharp devaluations of the currencies of the countries in the region, can be expected first to reduce local producers' earnings, but it will also tend to boost the competitive edge of the region's textile industries. The East Asian region is a major consumer of cotton, accounting for about two thirds of total world demand. Moreover, the cotton market has continued to suffer from the global overcapacity of the polyester sector, and it can be expected that competition from synthetics will continue to dampen the growth of cotton consumption over the long term. Cotton prices had been falling since August 1997, and in February 1998 stood some 8 per cent below mid-1997 levels.

21. Similarly, with such large consumers as Japan and the Republic of Korea, the East Asian countries altogether accounted for about half the global consumption of wool. Thus, the financial crisis in East Asia does not augur well for the wool market for the foreseeable future, and wool prices have already declined by 27 per cent between June 1997 and February 1998. As in the case of cotton, wool is also suffering from the encroachment of synthetic fibres. Added to the price-depressing factors is the expected continuing disposal of wool from Australia's stockpile. Counterbalancing these trends, however, are factors that will contribute to lower global supply, such as falling sheep numbers and better returns from alternative farming activities.

22. The decline in timber prices has also been among the most pronounced, and reflected in the main the protracted weakness of demand in Japan (see table 1). The slump in construction activity in East Asia, together with the large currency depreciations of the major producers in the region, can be expected to increase timber supply for the export markets.

Minerals and metals

23. With few exceptions, prices of base metals experienced continued weakness during recent months. Some of the declines, especially those of the prices of copper, nickel, zinc and lead, were particularly large (see table 1) as the depressed demand for those commodities has been compounded by problems of oversupply. In particular, copper production capacity in the major producing countries has been expanded significantly in recent years, and the reduced demand from the East Asian countries has been an additional adverse factor behind the recent price slump. In fact, taken together, the five Asian countries accounted for as much as one fifth of the increase in the value of world imports of copper during 1991–1996.[4] On the other hand, the reduced copper prices can be expected to have very adverse effects on the export earnings of many developing countries. Indeed, copper exports accounted for relatively large shares in total earnings of many of those countries, including Chile, the Democratic Republic of the Congo, Papua New Guinea, Peru and Zambia (see table 2). Similarly, zinc prices have experienced pronounced drops, and the prospects of the zinc market remain very uncertain since they depend largely on the car and construction industries, which have been adversely affected by the sharp drop in economic activity in East Asia. Furthermore, several new production projects are expected to come on stream, with large capacity increases expected in Latin America as well as Australia, and production capacity is also expected to expand in both Chile and Peru. The outlook for the nickel market is also dependent on global economic growth, and thus on future levels of activity in East Asia, since – in common with lead and zinc – nickel is heavily dependent on a single industrial activity, namely stainless steel, which alone accounts for about 60 per cent of world consumption.

24. The dollar prices of crude oil have also been steadily declining since November 1997, and can be expected to remain subdued in the near future. Crude oil stocks have been rising following a warmer than average winter, and the globally weak demand has been compounded by the slowing of demand growth in the countries adversely affected by the East Asian crisis. The impact of the 10 per cent rise in Organization of Petroleum Exporting Countries production quotas agreed in November 1997 remains to be seen. Added to the uncertainties in oil market outlook is the rise in Iraq's output following the expansion of the United Nations oil-for-food programme in February 1998.

D. Effects of El Niño[5]

25. The climatic phenomenon known as El Niño, which usually occurs every 2 to 7 years with varying degrees of intensity and duration, involves an occasional warming of the surface waters in the Central and Eastern equatorial Pacific Ocean, as a result of which the atmosphere heats up and conditions became ripe for excessive rainfall. The current El Niño was considered by many observers as being the most severe to occur this century. It started in March 1997, but its most intensive impact was expected to have been felt between December 1997 and the first quarter of 1998. In general, the phenomenon usually affected agricultural activities, but the associated changes in ocean surface temperatures also affected marine ecosystems. Thus, some of the phenomenon's most dramatic impacts in recent decades had been felt by the ecosystems of the tropical Pacific Ocean. In particular, the region off Peru and Ecuador is the most vulnerable since, for example, the Peruvian *anchoveta* suffered a major stock depletion during both the 1972–1973 and 1982–1983 El Niños. The ensuing stock recovery since then has been much threatened by the current El Niño. Elsewhere, the unusual weather pattern due to El Niño may adversely affect the complex life cycle of the fishery resource processes globally.

26. On the continents, El Niño had been causing severe floodings and weather-related damages in Latin America and drought in Asia, as in the 1982–1983 El Niño. More recently, it also caused severe drought in southern Africa. Although it is difficult to quantify or forecast with any degree of exactitude the effects of the phenomenon on agricultural production, much of the current concern involves the extent of the damage expected of the cereal crops planted for the 1998 harvest.

27. In agriculture, Latin America is usually the most exposed to El Niño's adverse impact. For the current season, crops have already been affected by drought in Central America and the Caribbean. Moreover, significant reductions in planted area for wheat due to a wetter than normal winter can be observed in both Argentina and Brazil. But other developing regions are also exposed. Thus, serious drought in Indonesia, the Philippines, Thailand can be expected to delay rice-planting operations and thus lead to a switch to early maturing but lower-yielding varieties. In Africa as well, there is considerable concern about the prospects for the 1998 coarse grain crop, especially in South Africa, which had also suffered a serious El Niño-related drought in 1991–1992. And in South-East Asia, coconut and palm yields can also be expected to decline because of lower-than-average rainfall. Tropical beverage production, with the exception of tea, may also suffer. In particular, the Asian coffee crop may be threatened by drought, that of Brazil by excessive rainfall. And global cocoa shortages are also in the offing if the effects of the current El Niño turns out to be as severe as in 1982–1983.

Table 3
Primary commodity trade, by main groups and regions
(Billions of dollars and per cent shares of world total)

	1986–1987		*1989–1990*		*1994–1995*	
	Value	*Share*	*Value*	*Share*	*Value*	*Share*
Exports						
Developing countries	115.1	31	148.6	29	199.2	30
Africa	17.6	5	19.4	4	19.9	3
America	43.3	11	55.3	11	71.1	11
Asia	50.6	13	68.9	13	103.7	16
Developed countries	242.7	64	348.1	67	429.8	65
Imports						
Developing countries	89.2	21	129.6	23	189.3	27
Africa	15.7	4	19.5	3	21.2	3
America	14.3	3	19.3	3	31.6	4
Asia	56.3	13	86.5	15	131.7	19
Developed countries	302.0	72	412.0	72	490.3	69

Source: UNCTAD database.

III. Commodity dependence: overview of characteristics and policy options

A. Overview

World trade in commodities

28. World trade in primary commodities has grown more slowly, and makes up a smaller share of total world trade than manufactured products. In the mid-1990s, primary commodities accounted for just over one fifth of total world trade, a decline from over 40 per cent in 1980. However, commodity exports continued to constitute a major source of foreign exchange earnings for a large number of developing countries. In all, over half of total export earnings are generated by commodities in half of the developing countries in Latin America; three out of five countries in Africa; and one in four countries in South, East Asia and Oceania. Thus, the commodity sector also remained the major source of output and employment in most of the developing world. In fact, for the large majority of developing countries, with the exception of the newly industrialized ones, primary production still accounts for about one third of domestic output. Of course, this share is even higher for the poorer countries, including the least developed countries.

29. The major markets for most primary commodities remained the developed countries, which account for about 70 per cent of global world imports of commodities. It is true, however, that the developing countries share has increased significantly during recent years, a reflection of the fast rate of expansion of imports into the fast-growing economies of South and East Asia. Thus, at almost 20 per cent in the mid-1990s, Asia's share had increased by about 50 per cent over its level of 13 percent a decade earlier (see table 3).

30. As the largest market for primary commodities, the developed countries are also the dominant suppliers of these products, accounting for over half of world exports of commodities in the mid-1990s, with North America accounting for about 15 per cent and Western Europe one third. The nine most important exporters of agricultural commodities are all from the developed world. The dominance is particularly marked in exports of cereals: nine developed countries account for two thirds of the world's total exports of these commodities. For the developing countries, commodity exports amount to just over 40 per cent of the world total, with about one fifth accounted for Asia, 10 per cent by Latin America and somewhat more than 6 per cent by Africa.

Declining importance of primary commodities

31. However, in both developed and developing countries (as a group), the importance of commodities in terms of total trade has steadily diminished over the years. But these declines in share of commodities in world trade do not reflect an absolute diminution in the value of commodity exports. In fact, these exports have about doubled in value, both for the world as a whole and for the developing countries taken altogether during the decade from the mid-1980s to the mid-1990s. But in the meanwhile, total world trade rose by more than two and a half times during the same years, and thus the declines in commodity trade's share are the consequence of the more sluggish pace of expansion of these exports compared with that of global trade, in particular that of manufactured products.[6] In the case of the developed countries, the commodities share in total exports declined from about one fifth in 1980 to below one sixth in the mid-1990s. In the developing countries, on the other hand, the corresponding share has dropped from about 20 to just about 15 per cent during the same period. But for Africa, the share even rose slightly, from 21 to 23 per cent. Thus, many

African countries, especially the least developed among them, remained highly commodity-dependent, with weak supply capabilities, and were therefore unable to exploit the potential benefit from world trade expansion, so that the region's intra-trade remained small by other developing region's standards.

Erosion of preferences

32. Certain recent developments, moreover, are of particular concern to the poorer among the developing countries, especially those in Africa, which aspire to diversify their economies. In particular, the erosion of trade preferences that stems from the cuts in most-favoured-nation tariffs as a result of the Uruguay Round negotiations will affect negatively the diversification programmes of these countries. This concern is particularly important for the least developed countries because of their low level of industrialization and their high degree of export concentration in a few commodities. Trade preferences are very important to them since most of their exports are admitted free of duty and in general are not restricted by quotas or ceilings. It should be noted, however, that the Uruguay Round only reduced but did not eliminate these tariff preferences. It should also be added that the challenge posed by the United States and several countries in Latin America to the European Union's banana import regime may lead to the dismantling of Africa, Caribbean and Pacific trade preferences.

Instability of earnings

33. Among the perennial problems facing producers of commodities is the excessive instability of the prices of many commodities. The consequent instability in export earnings has adverse effects on domestic savings and government budgets, as well as on the import supply of intermediate and capital goods and hence on investment and growth. In the recent past, instability (as measured by average deviations from trend) has been particularly pronounced for many across the whole spectrum of commodities, in particular coffee and cocoa among the tropical beverages; sugar among food; many vegetable oils; wool, jute, hides and skins; rubber among the agricultural raw materials; and nickel, manganese ore, zinc, aluminium and copper among the minerals, ores and metals. The reasons for the observed instability are many. There is, for example, the inherent boom-bust investment/production cycle for many tropical beverages because of the long gestation period between new planting and production. For other agricultural commodities, vagaries in the weather tends to be the main cause, while changes in industrial activity and hence demand tend to cause instability in metals prices. The surge in recent years in the flows of speculative capital into and out of commodity markets for financial assets has tended to accentuate commodity price instability during recent years. Producers, of course, can have recourse to managing price risks through hedging strategies in futures markets. But the abuses of these markets can entail huge losses, witness those disclosed by Sumitomo Corporation in connection with trade of copper-related financial instruments. In principle, however, these futures markets can provide an essential service.[7]

B. Diversification experiences

34. Diversification has been the main conventional remedy for commodity-dependent economies. Recent developments in the world commodity economy, as well as new research and policy analysis, suggest that diversification strategies deserve some rethinking. For example, it is now recognized that diversification performance is more effectively influenced at the micro- and meso-levels.[8] This does not imply that government and institutional

measures are no longer required, but that they need to reflect developments and economic exigencies at the level of enterprises, whether farms, mines or business firms.

Enterprise-level diversification patterns

35. Firms in developing countries tend to diversify more broadly than those in developed countries, principally because their skills are often of a general nature and not product specific. Often, developing country firms tend to compete on the basis of price and reliability at the lower or middle levels of product markets.

36. Diversification has also frequently been oriented to processes, as opposed to being bound to commodity types. Firms producing tinned fruit products for exports, for example, moved into processing quite unrelated foods, such as fish, using established canning capacity technologies and marketing channels. In some cases, commodity sector development and diversification has benefited from an expansion in concentric rings. Several commodity producers in South-East Asia, Latin America and Africa, for example, garnered more distant and sophisticated export markets in Organisation for Economic Cooperation and Development (OECD) countries after they had established a reputation for quality, reliability, value-for-money, or a brand name in local and subregional markets. For instance, some of the large *robusta* coffee producers – Brazil, India and Indonesia – are currently exploiting this path by investing in marketing drives to promote domestic consumption. The longer-term plan is to enter subregional and ultimately world markets with value-added coffee products once quality and branding are firmly established in the home market. A drawback of such strategies, however, might be that demand characteristics of domestic markets – which might accept lower-quality products – could weaken the economic incentive to upgrade into higher-quality product niches.

Global marketing chains, clusters, networks as channels for diversification

37. Beyond the role of individual firms, globalization has re-emphasized and modified the role of the global marketing chains that have characterized the commodity economy for many decades. The structure and composition of trading channels continue to play a crucial role, and understanding their dynamics can enable firms to position themselves more advantageously at the appropriate link in the chain.

38. In many commodity markets, a major share of global trade flows is handled by a small group of transnational firms who source products globally, and thus apportion export shares of firms and countries. It can be difficult for newcomers to establish themselves independently and take a share of the market. Example include coffee where 70 per cent of trade is handled by four international firms, or some processed fruit or vegetable markets, where a small number of transnationals are predominant.

39. Nevertheless, a noticeable number of processing or trading firms situated in developing countries have recently begun entering world marketing chains, as flexible specialization has lead to a dispersion of supply and processing facilities across the globe. Some developing countries have succeeded in delivering to such chains not just raw materials but processed commodities, and in creating industries based on locally available resources, with backward linkages. Examples include successful poultry producers and processors from Brazil and Thailand, or gemstone polishing in several developing countries. A development that has gone unnoticed is the emergence of a considerable number of developing countries, who have become major exporters of high-unit value fresh fruit, vegetables or cut flowers in a short span of time.

40. The relative strengths of exporters in world markets are a function of market development on the one hand and the characteristics of the commodity involved on the other. Diversification into expanding product markets – typically with annual growth rates of world imports exceeding 10 per cent – into highly income-elastic products, the demand for which exhibits rapid growth, or into dynamic regions, offer the easiest avenue to upgrading the producing economy's position in the commodity chain.

41. Apart from market and product characteristics, three different factors can be isolated that have supported a better positioning of developing country firms in global marketing channels, and hence created the scale of demand and rates of profitability prerequisite to successful diversification, be it horizontal or vertical.

42. First, commodity-based clusters are probably the best guarantee for backward linkages since they are anchored in the resource base of the host economy. At the same time, such clusters of enterprises situated in proximity of one another and sectoral networks among enterprises can enhance world market entry by facilitating access to and promotion of information regarding markets and technology. They can also reduce overhead costs by mutual implementation of contracts, joint purchase of inputs, jointly funded ancillary services or joint marketing initiatives. Such clusters have some success in such countries as Brazil, but they have not developed sufficiently in many other commodity dependent countries.

43. Second, the role of "soft" or social factors in ushering in commodity-sector diversification should not be underestimated, but the opportunities to benefit from them have not in general been actively pursued. Producers and traders tend to develop "personalized" and repetitive relationships founded on personal commonalities, such as gender, kinship, ethnicity, religion and caste, which create mutual reliance or trust. Such ties can serve to reduce risks and transaction costs by guaranteeing delivery, ensuring quality control, procuring reliable information, minimizing tedious bargaining processes or providing access to informal finance. Examples of such soft channels include the export market for tropical vegetables from Kenya to the United Kingdom which was the basis for an expanding off-season vegetable trade from Eastern African countries into the European Union; the exports of Caribbean foods to ethnic grocers in the United States; or marketing of African and South-East Asian specialities to many OECD markets.

44. Third, diversification in commodity reliant economies can find support in the innovations in information technology, such as electronic trading and information, available on the Internet. Thus, commodity processors and traders in developing countries can tap price and business opportunity information, and identify points of entry to and opportunities for effective participation in commodity chains. Dependence on the large players in international commodity markets can hence be replaced by groups of new entrants from developing countries.

Finance for diversification

45. Finance remains a major constraint in many developing countries. Sources of finance have varied widely among countries. In some instances, countries heavily dependent on a single mineral or agricultural commodity export have established diversification funds by levying a cess on exports. The proceeds are devoted to funding research or extension services; this has generally been channelled to promoting the upgrading or exports of that particular commodity or to agricultural diversification in general. Country examples include Chile, Colombia, India, Papua New Guinea and Uganda.

46. Enterprise-level diversification in developing countries has often been financed through "organic growth", i.e., reinvestment of profits, through loan-based investment. Over the past decade, the emergence of stock markets and broad-scale privatization of public enterprises has provided new sources of capital and led to diversification through acquisitions.

47. Foreign capital is another source of diversification funding. Foreign direct investment (FDI), joint ventures and strategic alliances have begun contributing to vertical diversification through the establishment of processing plants in developing countries. Recently, FDI from developing countries is emerging as a new source of finance, notably for neighbouring countries. A fair share of such commodity-relevant foreign investment has been directed into agribusiness and foods, mining, metals and construction materials. As with intra-firm growth patterns, developing country FDI typically makes use of product-specific knowledge or familiarity with markets and regulations.

Role of Governments in conjunction with trade or industry associations

48. Governments, in conjunction with trade or industry associations, are indispensable in developing commodity production and trade. In defining policies and programmes, the specifics of each commodity need to be taken into account, since the dynamics of production and trade flows vary considerably among different subgroups of commodities, and among subsets within each group. Restructuring of the public enterprise sector and the dismantling of commodity-related trade authorities, such as marketing boards, over the past decade has often occurred without putting in place alternative institutions to handle production and trade. Successful commodity diversification, however, requires that the enterprise sector be linked via professional associations and information flows to local and central governments. Business associations and governments can also support the commodity sector by lobbying and identifying market opportunities and channelling information flows to the enterprise sector. Local-level governments have a role to play in providing physical, social and technical infrastructure to clusters and networks.

49. An interesting example of such interactive private-public modalities are the generic marketing drives undertaken by governments and sectoral associations in Colombia to market coffee or in Thailand to promote silk.

New assessment

50. An important emerging finding is that reliance on commodity exports is not a priori and in all cases a disadvantage. The developmental potential of the commodity economy depends on the commodity's product characteristics, market structures and development, and marketing strategies. Moving away from commodities to manufactures and vertical diversification is not always the economically most efficient option. A case in point are exports of high-value food commodities in fresh and chilled form – as opposed to processed form – which can fetch high unit values and contribute more to net export revenues than processing. This benefit is predicated on identifying product markets that are expanding due to absolute growth or income elasticity, and on a certain degree of harmonization among suppliers to avoid fallacy-of-composition effects.

C. Policy options

51. The developing countries have not escaped the consequences of globalization and liberalization, which have profound implications for the future development of their

economies. Many countries, especially the poorer among them, risk being even more marginalized unless they can adapt to the new competitive international environment, the main features of which are the utilization of new technology and production processes to increase efficiency. Recent experience has shown that supply-side factors have emerged as key impediments to many developing countries' improved participation in international trade.

1. Domestic aspects: information infrastructures

52. Inadequate and ill-maintained physical infrastructure, including telecommunications, storage, and road, rail and/or air transport facilities, has limited the scope of supply-side response of developing countries, especially the poorer among them. In particular, taking advantage of emerging market opportunities requires the existence of information systems and communication networks for efficient product movement in order to be able to react flexibly to rapidly shifting market demand. The budgetary situation in many countries limits public investment in this area. Incorporating needed infrastructural developments into projects and encouraging the private sector to invest in building and operating these infrastructural facilities would play a significant role in this domain.

53. Cooperation and close collaboration between business and government with a view to facilitating the flow of information between the public and the private sector has often been instrumental in the success of many developing countries.

2. Agenda for commodity-based diversification

54. A proactive agenda for commodity-based diversification would need to be based on appropriate policies and measures by commodity-dependent countries themselves, supported by a favourable international environment .

Recommendations for commodity-dependent countries

55. Action by commodity-dependent countries themselves can aim at three main objectives, namely, (a) to obtain improvements in the multilateral trading system that are conducive to commodity-based development, (b) to create an enabling domestic environment for commodity-based development and (c) to assist the enterprise sector in their pursuit to be successful in commodity-based businesses domestically, regionally, and globally.

Benefiting from the multilateral trading system

56. Commodity-dependent developing countries need a clear understanding of the Uruguay Round obligations and commitments so as to recognize the full range of options available to them in support of diversification. In this respect, the implications and ways to take advantage of the Agreement on Subsidies and Countervailing Measures merits particular attention.

Creating an enabling environment for commodity-based development

57. The following is recommended:

(a) In order to facilitate the development of the commodity sector, Governments need to ensure that property rights are clearly defined and secure;

(b) The respective responsibilities of central and local-level governments need to be delineated clearly. Local-level governments are crucial in the implementation of commodity-based development programmes. In many cases, their capacity needs to be

upgraded and measures taken to ensure that the diversification process is participatory and that all stakeholders are heard;

(c) Governments need to attach priority to the provision of physical and institutional infrastructure, especially with respect to the development of exports;

(d) In commodity-dependent countries, special efforts are needed to generate funds for the development of the commodity sector. One option is to tap the sector itself by earmarking funds which could function as venture capital to stimulate diversification into non-traditional commodities and processed products;

(e) Training of human resources is a crucial factor in development and diversification, and should include the following:

(i) Training and research on sophisticated technology that is conducive to diversification into new and more profitable processes and products beyond the current rung on the technology ladder;

(ii) Enhancement of skills at the intermediate level, which serves to improve productive flexibility and facilitates continual diversification;

(iii) Basic extension services, which are required to enable small and medium-sized enterprises and small agricultural producers to upgrade their activities above the subsistence level and diversify;

(f) Networking of training and research institutions with production enterprises has significant benefits in terms of external economies, cost-sharing and the development of centres of excellence. Such networks could be co-sponsored by central or local governments, business associations or parastatals.

Assisting enterprises

58. The following is recommended:

(a) The basic essentials for the identification of market opportunities are often lacking in many commodity-dependent countries. Training in this area would be highly beneficial for enterprises that are seeking to expand their trade horizons, as well as for government officials assisting them;

(b) With a view to expanding investment in commodity-based development in general and horizontal and vertical diversification in particular, the business community needs to take the initiative to identify specific impediments to market access and exports, formulate realistic modalities to overcome them and enlist the assistance of Governments, as appropriate;

(c) Information exchange, joint marketing and trade promotion improve the bargaining position of producers and traders. The cost of such measures may need to be shared between the benefiting firms, the developing country government, and in the case of low-income economies, the international donor community. The establishment, structure and functions of a new generation of business-oriented marketing boards might be a subject for further exploration;

(d) Enterprises may need to review the strategies they use to position themselves in the commodity chain, and to identify market opportunities based on product characteristics (niches, small batches, quick reaction, freshness, novelty, high unit value, process-based etc.). Organic products may merit particular attention in this respect;

(e) Clustering of enterprises lowers transaction costs. It can be conducive to diversification and widening the scope of commodity-based development. With the

cooperation of competent international organizations. Governments could explore natural-resource-based cluster experiences in commodity-dependent economies, distill from them factors that lead to horizontal or vertical diversification, and formulate actions appropriate for the specific conditions of the country.

Recommendations for the international community

59. The basic function of the international community is to provide a favourable international environment and supply the requisite assistance for the success of actions by the Governments of commodity-dependent countries themselves, so that:

(a) An open trading system, in particular further reductions in protectionist measures, including domestic support for agriculture and tariff escalation, is of paramount importance;

(b) Financial cooperation to facilitate the commodity-dependent countries' management of excessive fluctuations in commodity export earnings should be maintained and expanded;

(c) Technical cooperation should include training for technical, managerial and commercial staff of developing countries, in particular for quality improvements, abidance by new rules and regulations concerning international trade, and market entry;

(d) Actions by non-governmental organizations that would help in commodity-based development should also be promoted.

3. Trade finance and risk management

60. Improving the possibilities for using physical commodities as collateral for loans could significantly strengthen export financing for commodities. The warehouse receipt system is one possibility in this regard. But apart from a lack of expertise about how to structure such transactions, neither economic policy nor the legal and regulatory framework in many developing countries has been conducive to the enhanced use of commodities as collateral for trade finance. The international community can support developing countries' measures regarding trade finance by providing financial support and expertise, as well as, for example, by providing extra security at agreed warehouses, enhancing possibilities for rediscounting developing country banks and creating new sovereign risk insurance facilities.

South-South and international cooperation in trade and investment

61. Efforts must be made to promote enhanced complementarities among developing countries for taking due advantage of the emerging and diversified trade opportunities. This consideration takes on special significance given the enlarging share of developing countries as market for primary and processed exports from the developing world itself. South-South cooperation can also help to harmonize policies and rationalize supplies, thus minimizing the so-called fallacy of composition associated with commodities subject to inelastic global demand and/or to a structural surplus/overhang. In general, a very high proportion of global purchasing power, investment capital, frontier technologies and aid resources remains located in or mobilizable from the developed countries. Realistically, therefore, any durable transformation and diversification of the developing countries' commodity sector must by necessity involve trade, investment and other factor mobility, for mutual benefits, with the developed countries.

4. Multilateral trade negotiations

62. In spite of its limitations, the Uruguay Round Agreement on Agriculture has brought agriculture under comprehensive multilateral discipline for the first time. The need for further trade liberalization in the major developed importing countries has been extensively discussed in recent reports.[9] The issues remain very much alive as renewed negotiations are in the offing for the early years of the twenty-first century. Commodity-dependent countries need to formulate a proactive and positive agenda for forthcoming multilateral trade negotiations, reflecting their requirements for commodity-based development. Modalities could be sought to include financial and technical support for expanding the supply capacity of these countries as an integral part of future trade negotiations.

Notes

[1] Throughout the present report, unless otherwise specified, commodities refer to all commodities excluding fuels, i.e., the sum of agricultural primary commodities and mineral commodities, defined as Standard International Trade Classification, section 0, section 1, section 2 (less group 233, synthetic rubber, and groups 266 and 267, synthetic fibres), section 4, division 68 (all metals except iron and steel) and item 522.56 (alumina); this does not include precious metals and gemstones.

[2] The combined index of commodity prices rose by 4.1 per cent when expressed in special drawing rights but remained unchanged in dollar terms in 1997.

[3] The depreciations of East Asian currencies against the dollar have been very large. Between June 1997 and February 1998, these ranged from about 75 per cent in Indonesia to about 35–45 per cent in Malaysia, the Philippines, the Republic of Korea and Thailand. For details on the genesis and global impact of the crisis, see United Nations Conference on Trade and Development (UNCTAD), *Trade and Development Report 1998*, forthcoming.

[4] See UNCTAD, *Handbook of World Mineral Trade Statistics 1991–1996*.

[5] For more details, see FAO, *Food Outlook*, No. 10/11/12 (1997).

[6] It should be noted that the increasing break-up of production chains, whereby components of a product are assembled in different locations with semi-finished products being traded internationally at different stages of completion, would tend to result in faster increases in the trade for manufactured goods in general. However, the extent to which this may have influenced the observed rate of growth of world trade has not been satisfactorily quantified. For a detailed discussion of the issues, see WTO annual report for 1995.

[7] For a recent survey of the issues, see UNCTAD, "Examination of the effectiveness and usefulness for commodity dependent countries of new tools in commodity markets risk management and collateralized finance", document TD/B/COM.1/EG/2 (6 February 1998).

[8] For a more detailed presentation of recent research findings and these arguments see UNCTAD, "Diversification in commodity-dependent countries: the role of governments, enterprises and institutions", document TD/B/COM.1/12 (5 September 1997).

[9] See, for example, UNCTAD, "The Uruguay Round and international commodity trade and prices", document TD/B/CN.1/30 (30 August 1995).